



United States  
Department of  
Agriculture

Farmers  
Home  
Administration

Washington  
D.C.  
20250

FmHA AN No. 2616 (1945)  
August 7, 1992

**SUBJECT: Completion of Real Estate Appraisals When Making Farmer Programs Operating Loans and Emergency Loans**

**TO: State Directors, District Directors, and County Supervisors**

**ATTN: Farmer Programs Chiefs**

**PURPOSE/INTENDED OUTCOME:**

The purpose of this Administrative Notice (AN) is to provide guidance to field offices on completing real estate appraisals when real estate is taken as security for operating (OL) loans and emergency (EM) loans. This issuance extends the timeframe for completing real estate appraisals from within 120 days to within 240 days of loan closing. The intended outcome is to avoid delays in processing OL and EM applications.

**COMPARISON WITH PREVIOUS AN:**

No previous AN has been issued on this subject in 1945-D, however; this AN also revises and replaces FmHA AN No. 2536(1941) issued on May 8, 1992.

**IMPLEMENTATION RESPONSIBILITIES:**

The requirements for borrowers to pledge all assets as collateral for insured Farmer Programs loans became effective on April 30, 1992. Concerns on meeting application processing timeframes as a result of revised appraisal requirements have been raised by some States.

To reduce delays in approving and closing OL and EM loans for chattel purposes, such loans may be approved and closed without completing a real estate appraisal provided:

1. The loan is adequately secured without the real estate lien.
2. The best lien obtainable is taken on all real estate as required in FmHA Instruction 1941-A, Section 1941.19, and FmHA Instruction 1945-D, Section 1945.169, unless a waiver of the lien is justified and documented as specified in Sections 1941.19 and 1945.169.

**EXPIRATION DATE: July 31, 1993**

**FILING INSTRUCTIONS:  
Preceding FmHA  
Instruction 1945-D**



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In such cases, a real estate appraisal should be completed within 240 days of loan closing, unless a lien was not taken as a result of a waiver.

This AN may not be revised and reissued by State Directors without prior approval by the Assistant Administrator, Farmer Programs, unless modification is necessary to comply with State law.

State Office personnel with questions regarding this AN should contact the Farmer Programs Loan Making Division, at FTS (202) 720-1632.

  
for **LA VERNE AUSMAN**  
Administrator

Sent by Time Delay Option to States at 8:00am on 8/12/92; to Districts at 10:00am on 8/12/92 and to Counties at 12:00pm on 8/12/92 by GSS.